was set up by RBI to look into various issues with a view to improving the organisational effectiveness of RBI. Based on the report of the Inhouse Group, an Internal Task Force was set np to formulate a Corporate Plan for the bank. An external consultant has also been appointed to guide and assist the Task Force in plan formulation and also for organisational and systems studies. Final Corporate Plan has not yet been prepared by RBI.

NRI Recommendations on PDS

2572. SHRI SATYA PRAKASH MALAVIYA:
SHRI ANANT RAM JAISWAL:
SHRI MOHINDER SINGH LATHER:

Will the Minister of FINANCE be pleased to state:

(a) whether certain NRI experts on the India's economic reforms commissioned by the Ministry have, in their report, recommended on a scrapping of PDS besides removal of subsidies on fertilizers, irrigation and electricity;

(b) if so, what are the salient features of the recommendations made by these experts; and

(c) what is the decision of Government, if any taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) On the request of the Ministry of Finance two internationally renowned economists, namely, Prof. Jagdish Bhagwati and Prof. T. N. Srinivasan prepared a report on 'India's Economic Reforms' which was released in July 1993 for public information and debate on our ongoing economic reforms.

The authors have not suggested scrapping of the Public Distribution System (PDS). They have recommended reforms in the PDS which should aim at improving its targetting of the poor, so that the costs of resulting from extensive leakage to the non-poor is minimised and more benefits reach the poor even if the subsidies are reduced or abolished.

The authors have also recommended removal of three major subsidies on agricultural inputs such as fertilizers, irrigation and electricity on the premise that the entire set of reforms implemented in conjection with the subsidy removal is still likely to be favourable to agrcultural incentives as seems to be the case in many developing conntries.

On agricultural credit, the authors feel that the policy of subsidising interest rates helps predominantly the non-poor farmers and should be withdrawn. The problem for the poor farmers instead is access to credit which should be ensured through the financial sector reforms currently envisaged by the Government.

On foreign trade in agricultural products, the authors recommend scrapping of quantitative restrictions and canalisation and replacing these with appropriate tariffs.

(c) The Government is keen that there should be a thorough public discussion on the key issues in agricultural sector and effective policy measures could then emerge within the overall framework of the new economic policy which the Government is committed to pursue.

Supervision Authority for the working of Financial Investment

2573. SHRI S. S. SURJEWALA: Will the Minister of FINANCE be